Annex 5: Reporting Guidelines for Integrated Annual Report 2024

This reporting guidance ("Guidance") provides information on the data preparation and reporting methodologies of indicators within the scope of the independent audit in the 2024 VakıfBank ("Bank") Integrated Annual Report. These indicators consist of **financial and operational indicators** (total amount of loans granted to SMEs, number of renewable energy projects supported by financing, amount of financial support and installed capacity, number of digital banking customers), **social indicators** (ratio of female employees, number of employees in management bodies [manager level and above], number of employees benefiting from maternity leave, number of employees returning to work after maternity leave, rate of women returning to work after maternity leave, number of employees still employed 12 months after returning from maternity leave, employee turnover rate, average seniority by gender, rate of internal promotions to upper-level positions, number of disabled employees, total training hours, average training hours per employee, share of digital trainings in total training, occupational health and safety), and **environmental indicators** (energy consumption, other environmental indicators, carbon emissions, energy consumption per employee [GJ/employee], carbon emission intensity [Scope 1 and 2] per surface area [$kgCO_2e/m$]). It is the responsibility of the Bank's management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The data included in this guideline is for the FY 24 (1 January – 31 December 2024), fiscal year ended December 31, 2024, and as detailed in the "Key Definitions and Reporting Scope" section comprises only the relevant operations in Türkiye and in the World that are the responsibility of the Bank by excluding information about group companies, affiliates and subcontractors.

General Reporting Principles

In preparing this guidance document, consideration has been given to following principles:

- In the preparation of information - to emphasize the basic principles of relevance and reliability of information to users of information.
- To highlight the primary principles of comparability/consistency with other data including prior year and understandability/transparency, providing clarity to users in information reporting

Key Definitions and Reporting Scope

For the purpose of this report, the Bank defines:

Type	Indicator	Scope
Financial and Operational Indicators	Total Loans Amount Extended to SMEs	This indicator refers to the remaining principal amount of the Bank's commercial loans extended to SMEs during the reporting period. It is calculated by the Bank's Credit Reporting Department.
	The number of renewable energy projects financed as well as the amount of funds provided and installed power	This indicator refers to the number of renewable energy projects financed by the Bank, the amount of financing provided to these projects, and the installed power within the scope of Sustainable Energy Financing during the reporting period. In this context, Hydroelectric Power Plant (HPP), Geo-thermal Power Plant (GPP), Biomass Power Plant (BPP), Biogas Energy Plant, Solar Energy Plant (SEP) and Wind Power Plant (WPP) renewable energy projects are assessed.
	Number of Digital Banking Customers	It refers to the number of digital banking customers within the reporting period. Digital banking includes internet and mobile banking channels. Digital Banking definitions have been made and it refers to the number of customers assigned to Digital.

Type	Indicator	Scope
Social Indicators	Ratio of Female Employees	This indicator only refers to the gender distribution of the total staff of the Bank (excluding subsidiaries and group companies) during the reporting period.
	Number of Employees in Managing Bodies (Manager and Higher Level)	This indicator only refers to the distribution of employees of the Bank (except subsidiaries and group companies) in managing bodies (manager and higher level) by age groups and gender. The employees in managing bodies include the General Manager, Executive Vice President, Chief Legal Advisor, Assistant Chief Legal Advisor, Executive's Legal Advisor, Head, Assistant Head, Coordinator, Regional Manager, New York Branch General Manager, Manager, New York Branch Manager.
	Ratio of Female Employees that Returned to Work After Maternity Leave	It indicates the ratio of female employees who have taken the maternity leave but did not leave the Bank once they returned from maternity leave during the reporting period among all female Bank employees who have taken the maternity leave during the reporting period.
	Number of Employees Benefited from Maternity Leave	It is the sum of female employees who have taken postpartum leave and male employees who have benefited from maternal leave during the reporting period.
	Number of Employees Returned to Work After Parental Leave	It is the total number of female employees who have taken postpartum leave and male employees who benefited from maternity leave and returned to work after their respective statutory leave period ended during the reporting period.
	Number of Employees Returned to Work After Maternity Leave and Resume Working (Person)	It refers to female employees whose maternity leave ended in the previous reporting period and male employees who benefited from maternity leave, who returned to work within 12 months after their respective statutory leave periods ended and are still working during the reporting period.
	Average Years of Seniority Broken Down by Female and Male Employees	It refers to the average length of time the Bank's total employees (excluding subsidiaries and group companies) have worked at the Bank, broken down by gender, during the reporting period.
	Filling Rate of Top Positions with Internal Promotion	This indicator refers to the rate of occupation of a vacant position with the current Bank employee instead of the external recruitment during the reporting period. The scope of "top positions" is as described for "Managing Bodies" above. Employees who have been promoted to top positions are included in this indicator.
	Employee Turnover Rate	This indicator refers to mean the ratio of those leaving the job by the resignation and termination of employment to the average number of employees. Employee turnover rate is calculated according to the following formula: Total Number of Employees Leaving from Work (Resignation and Termination of Employment) / Average Number of Employees * 100; Average Number of Employees = (Number of Employees per Semester + End of Semester Employees) / 2
	Number of Disabled Employees	This indicator only refers to the number of employees of the Bank (excluding subsidiaries and group companies) with disabilities during the reporting period.
	Average Training Hours per Employee	This indicator only refers to the ratio of the total hours of in-class and digital (online) training provided to employees to the total number of employees during the reporting period.
	Total Training Hours	This indicator only refers to the total hours of in-class and digital (online) training provided to employees during the reporting period.
	The ratio of digital training to total training	This indicator refers to the ratio of the digital (online) training hours provided to the Bank employees to the total training hours during the reporting period.
	Occupational Health and Safety	This indicator includes number of accidents, number of fatalities, number of occupational diseases, injury rate (IR), occupational disease rate (ODR), lost day rate and absenteeism rate of employees during the reporting period.

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Type	Indicator	Scope
Environmental Indicators	**Energy Consumption (GJ)**	This indicator only refers to the amount of energy directly and indirectly consumed during the Bank's operations (Head Office, Regional Directorates, Branches, Storehouses, ATMs (offsite)) at every location where the Bank performs its operations.
	Electricity consumption (kWh)	This indicator refers to the total amount of electrical energy purchased during the reporting period and used in air conditioning, lighting, electrical appliances and other operations requiring electricity at the relevant locations.
	Natural gas consumption (m^3)	This indicator means the total purchased natural gas (volume-m^3) consumption used for heating, cooking and other business operations that require natural gas at all relevant locations of the Bank during the reporting period.
	Diesel fuel (l)	This indicator refers to the total purchased diesel fuel (volume - l) consumption used for heating, generators, and company-owned cars at all relevant locations of the Bank during the reporting period.
	Heating Oil (l)	This indicator refers to the total heating oil (Fuel-oil No: 4) (volume - l) consumption used for heating at the all relevant locations of the Bank during the reporting period.
	Gasoline (l)	This indicator refers to the total purchased gasoline (volume - l) consumption used for company-owned cars at the relevant locations of the Bank during the reporting period.
	Energy consumption per employee (GJ/Employee)	It refers to the amount of energy consumed directly and indirectly per employee during the reporting period.
	Other Environmental Performance Data	
	Water consumption (m^3)	This indicator refers to the total municipal water and dispenser size bottled water consumption (by volume – m^3) during the reporting period.
	Paper Consumption (ton)	This indicator refers to the total paper consumption amount (by weight – ton) used in printers at the locations where the Bank operated during the reporting period.
	Recycled paper amount (ton)	This indicator refers to the weight of recycled paper waste consumption amount (by weight – ton) during the reporting period.
	Carbon Emissions (ton CO_2-e)	
	Scope 1	This indicator refers to the emission of greenhouse gases due to the use of natural gas, diesel fuel, heating fuel, gasoline consumption, and refrigerating gas and fire extinguishers at all relevant locations of the Bank during the reporting period.
	Scope 2	It refers to the greenhouse gas emission resulting from the consumption of electrical energy purchased at all locations of the Bank and the consumption of natural gas for heating purposes, which is referred to as common use, during the reporting period.
	Scope 3	It refers to the greenhouse gas emissions due to bank employees' transportation to work, business-related travels by plane, use of potable and tap water, waste oil, wastes (plastic, glass, metal, paper), purchased capital assets, card printing, cargo and registered mail transmission, and paper use and disposal during the reporting period.
	Carbon Emission Surface Area Density (kg CO_2-e/m^2)	This indicator refers to the ratio of Scope 1 and 2 emissions per unit indoor surface area (m^2) in all relevant locations of the Bank during the reporting period.

4. Preparation of Data

Social Indicators

Occupational Health and Safety (OHS) Indicators

The following formulas are used to calculate OHS data. The average number of employees during the re-porting period is taken into account when calculating the total annual working hours

Injury Rate (IR) = [(Number of accidents) / (Total Annual Working Hours)] x 200,000

Occupational disease rate (ODR) = [(Number of occupational diseases) / (Total Annual Working Hours)] x 200,000

Lost day rate = [(Total Absenteeism Day caused by Accident) / (Total Annual Working Days)] x 100

Absenteeism rate = [(Total Absenteeism*) / (Total Annual Working Hours)] x 100

** Annual paid leave/compensatory time off, unpaid leave, hourly leave and maternity leaves are not included.*

Environmental Indicators

Energy Consumption

Energy consumption data are reported for electricity and primary fuel sources, which comprise natural gas, heating oil, diesel and gasoline.

Electricity and natural gas consumption data are obtained from supplier meters and service provider in-voices. Diesel consumption for the use of heating, generators, company owned cars and employee commuting data are obtained from service provider invoices. Heating oil consumption for the use of heating data are obtained from service provider invoices. Gasoline consumption for the use of company owned cars data are obtained from service provider invoices.

The Bank has used the following published conversion factors:

- For electricity, since the electricity supply unit is billed in kWh, 1 kWh=0.0036 GJ is used as GJ conversion factor;
- For natural gas, for the consumptions invoiced with m^3 supply unit, [1 m^3*joule/ton (34,541,100)*(calorific value) 1.033042]*1,000 is used; for the consumptions invoiced with kWh supply unit, first of all the consumption was converted to m^3 by using the "k" factor 10.836911 and then the conversions mentioned above are used;
- For diesel, since the diesel supply unit is billed in lt, [1l*kg (0.83)*1.000* joule/ton (42,697,200)] is used as GJ conversion factor.
- For gasoline, since the gasoline supply unit is billed in lt, [1l*kg (0.735)*1.000* joule/ton (43,534,400)] is used as GJ conversion factor.
- For heating oil, since the fuel oil supply unit is billed in lt, [1l*kg (0.9)*1.000* joule/ton (40,185,600)] is used as GJ conversion factor.
- The "k" factor and heating value used in converting natural gas consumption to m^3 in kWh and reference values taken from 2018 İGDAŞ are used.
- For density and conversion coefficient values, Annex 2 Lower Heating Values and Factors of Conversion to Petroleum Equivalents of the "Regulation on Increasing Efficiency in the Use of Energy Sources and Energy" published in the Official Gazette No. 28097 dated October 27, 2011 table is used.

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Carbon Emissions 2024

Scope 1, scope 2 and scope 3 carbon emissions are calculated in accordance with ISO 14064-3 and with the operational control principle within the framework of the "GHG Protocol Corporate Accounting and Reporting Standard."

CO_2 equivalent factors for emissions CO_2, CH4, N2O, and HFCs (refrigerant gas) were used in calculations. The emission fac-tors used are detailed in the table below. Global Warming Potential (GWP) coefficients were taken from Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report, and the resultant ton CO_2-e value was calculated by multiplying with the appropriate coefficients. It was taken from the Evaluation Report and the resultant ton CO_2-e value was calculated by multiplying with the appropriate coefficients. The total ton CO_2-e value is calculated by multiplying the appropriate coefficients. Grid emission factor has been calculated by using the relevant annual data provided by Turkish Electricity Transmission Company (TEİAŞ). Scope 3 emission factors are taken from DEFRA 2023.

Scope 1		
Emission Factors	**Value**	**Unit**
Natural gas	1.9419057992670	$kgCO_2e/m^3$
Diesel (fixed)	2.664712316	$kgCO_2e/LT$
Fuel oil	3.34	$kgCO_2e/kg$
Mobile Combustion - Diesel	2.6979017336	$kgCO_2e/LT$
Mobile Combustion - Gasoline	2.3989530042	$kgCO_2e/LT$
Refrigerants - R22	1,960.00	$kgCO_2e/kg$
Refrigerants - R410A	2,255.50	$kgCO_2e/kg$
Refrigerants - R134A	1,530.00	$kgCO_2e/kg$
CO_2	1	$kgCO_2e/kg$

Scope 2		
Emission Factors	**Value**	**Unit**
Electricity - Türkiye	0.442	$kgCO_2e/kWh$
Electricity - Bahrain	0.61777518	$kgCO_2e/kWh$
Electricity - Iraq	0.99307447	$kgCO_2e/kWh$
Electricity - USA	0.46974815	$kgCO_2e/kWh$
Electricity - Qatar	0.6248982	$kgCO_2e/kWh$
Natural gas	1.94510576990844	$kgCO_2e/m^3$

Scope 3		
Emission Factors	**Value**	**Unit**
Transportation	0.17853	$kgCO_2e$/tonne.km
Mail Sending	0.03	$kgCO_2e$/number of mails
Staff service	0.209	kg CO_2e/km
Business Flights for Business Purposes	0.39044	$kgCO_2e$/km*passenger
Economy Flights for Business Purposes	0.13465	$kgCO_2e$/km*passenger
Mains Water	0.15311	kg CO_2e/m^3
Treatment of Discharged Water	0.18574	kg CO_2e/m^3
Drinking water	0.15311	kg CO_2e/m^3
Fixed Assets - Electrical items - IT	24.87	kg CO_2e/kg
Fixed Assets - Electrical items - large	3.27	kg CO_2e/kg
Fixed Assets - Electrical items - small	5.65	kg CO_2e/kg
Fixed Assets - Electrical items - fridges and freezers	4.36	kg CO_2e/kg
Waste - Waste oil	6410.61	kg CO_2e/kg
Waste - Toner	6410.61	kg CO_2e/kg
Waste - Battery	6410.61	kg CO_2e/kg
Waste - Fluorescent	6410.61	kg CO_2e/kg
Waste - Disposed card	6410.61	kg CO_2e/kg
Waste - Glass waste	6410.61	kg CO_2e/kg
Waste - PAPER waste	6410.61	kg CO_2e/kg
Waste - Mixed waste	6410.61	kg CO_2e/kg
Waste - Metal waste	6410.61	kg CO_2e/kg
Waste - Plastic waste	6410.61	kg CO_2e/kg
End of Life Assessment of Issued Card	6410.61	kg CO_2e /kg
Electricity T&D - Türkiye	0.036	kg CO_2e/kWh
WTT Electricity Generation - Türkiye	0.148193724	kg CO_2e/kWh
WTT Electricity Generation - Bahrain	0.148193724	kg CO_2e/kWh
WTT Electricity Generation - Iraq	0.148193724	kg CO_2e/kWh
WTT Electricity Generation - USA	0.106571102	kg CO_2e/kWh
WTT Electricity Generation - Qatar	0.148193724	kg CO_2e/kWh
WTT - Diesel	0.61101	kg CO_2e/L
WTT - Natural Gas	0.3366	kg CO_2e/m^3
WTT - Natural Gas	0.03021	kg CO_2e/kWh
WTT - Fuel Oil	0.69539	kg CO_2e/L
Registered Mail Submission	0.004	kg CO_2e/registered mail unit

5. Restatement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Bank level.